



DEPARTMENT OF COMMERCE

International Trade Administration

[A-557-816]

Certain Steel Nails from Malaysia: Initiation of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: *Effective Date*: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

SUMMARY: In response to a request from Mid Continent Steel & Wire, Inc. (Petitioner), the Department of Commerce (the Department) is initiating a changed circumstances review of the antidumping duty order on certain steel nails from Malaysia.

FOR FURTHER INFORMATION CONTACT: Dena Crossland or Angelica Townshend, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362 or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

As a result of the antidumping duty order issued following the completion of the less-than-fair-value investigation of certain steel nails (steel nails) from Malaysia, imports of steel nails from mandatory respondent Inmax Sdn. Bdh. (Inmax Sdn) became subject to a cash deposit rate of 39.35 percent.¹ During the investigation, the Department did not collapse Inmax Sdn with

¹ See *Certain Steel Nails from Malaysia: Amended Final Determination of Sales at Less Than Fair Value*, 80 FR 34370 (June 16, 2015) (*Amended Final*); *Certain Steel Nails from the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, and the Socialist Republic of Vietnam: Antidumping Duty Orders*, 80 FR 39994 (July 13, 2015) (*Order*).

an affiliated company, Inmax Industries, since Inmax Industries was not operational during the period of investigation (*i.e.*, April 1, 2013, through March 31, 2014).² Accordingly, any sales made by companies other than the mandatory respondents Inmax Sdn, Region International Co. Ltd., Region Systems Sdn. Bhd., and Tag Fasteners Sdn. Bhd., were subject to the “all others” rate of 2.66 percent. On September 2, 2015, the Department received a request from Petitioner to initiate a changed circumstances review of the *Order* alleging that since the imposition of the *Order*, Inmax Sdn has been evading the cash deposit rates established in the investigation by shipping its production through Inmax Industries which enters merchandise under the lower, “all others” rate. On October 15, 2015, the Department received a letter from Inmax Sdn and Inmax Industries requesting that the Department deny Petitioner’s request. On October 23, 2015, Petitioner submitted a letter in response to the comments from Inmax Sdn and Inmax Industries’ letter.

Scope of the Order

The product covered by this changed circumstances review is certain steel nails from Malaysia. For a full description of the scope of the order, *see* Appendix I to this notice.

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), the Department will conduct a changed circumstances review upon receipt of information concerning, or a request from an interested party of, an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. However, section 751(b)(4) of the Tariff Act of 1930 also provides that the administering authority may not conduct a

² See *Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Certain Steel Nails from Malaysia*, and the accompanying decision memorandum at 10-13 (December 17, 2014); unchanged in the final determination, 80 FR 28969 (May 20, 2015) and *Amended Final*.

changed circumstance review of an investigation determination within 24 months of the date of the investigation determination in the absence of “good cause.” In its request for initiation, Petitioner provided information indicating that since the *Order*, there has been a change in the trading patterns and activities of Inmax Sdn and Inmax Industries. Petitioner asserts that the information provided demonstrates that the *Order* is being evaded. In accordance with 19 CFR 351.216(c), based on the information provided by Petitioner regarding new trading patterns and possible evasion of the *Order*, the Department finds that there is sufficient information and “good cause” to initiate a changed circumstances review. Therefore, we are initiating a changed circumstances administrative review pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(c) and (d) to determine whether action is necessary to maintain the integrity of the *Order*. The Department intends to publish in the *Federal Register* a notice of preliminary results of the antidumping duty changed circumstances review in accordance with 19 CFR 351.221(b)(4) and 351.221(c)(3)(i), which will set forth the Department’s preliminary factual and legal conclusions. The Department will issue its final results of review in accordance with the time limits set forth in 19 CFR 351.216(e).

This notice is in accordance with section 751(b)(1) of the Act.

Dated: November 9, 2015.

Christian Marsh,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Order

The merchandise covered by the order is certain steel nails having a nominal shaft length not exceeding 12 inches.³ Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted. Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material.

Excluded from the scope of this investigation are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25, unless otherwise excluded based on the other exclusions below.

Also excluded from the scope are certain steel nails with a nominal shaft length of one inch or less that are (a) a component of an unassembled article, (b) the total number of nails is sixty (60) or less, and (c) the imported unassembled article falls into one of the following eight groupings: 1) builders' joinery and carpentry of wood that are classifiable as windows, French-windows and their frames; 2) builders' joinery and carpentry of wood that are classifiable as doors and their frames and thresholds; 3) swivel seats with variable height adjustment; 4) seats that are convertible into beds (with the exception of those classifiable as garden seats or camping equipment); 5) seats of cane, osier, bamboo or similar materials; 6) other seats with wooden frames (with the exception of seats of a kind used for aircraft or motor vehicles); 7) furniture (other than seats) of wood (with the exception of i) medical, surgical, dental or veterinary furniture; and ii) barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements); or 8) furniture (other than seats) of materials other than wood, metal, or plastics (*e.g.*, furniture of cane, osier, bamboo or similar materials). The aforementioned imported unassembled articles are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4418.10, 4418.20, 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.81 or 9403.89.

³ The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

Also excluded from the scope of this changed circumstances review are steel nails that meet the specifications of Type I, Style 20 nails as identified in Tables 29 through 33 of ASTM Standard F1667 (2013 revision).

Also excluded from the scope of this changed circumstances review are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under HTSUS subheadings 7317.00.20.00 and 7317.00.30.00.

Also excluded from the scope of this changed circumstances review are nails having a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools.

Also excluded from the scope of this changed circumstances review are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side. Also excluded from the scope of this changed circumstances review are thumb tacks, which are currently classified under HTSUS subheading 7317.00.10.00.

Certain steel nails subject to this changed circumstances review are currently classified under HTSUS subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to this changed circumstances review also may be classified under HTSUS subheading 8206.00.00.00 or other HTSUS subheadings.

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this changed circumstances review is dispositive.

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